

European Community

NEWS

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E.C.-U.S. ENLARGEMENT DISPUTE: E.C. COUNCIL APPROVES RETALIATORY MEASURES ON CORN GLUTEN FEED, WHEAT AND RICE

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At a meeting in Luxembourg yesterday, the E.C. Council of Ministers agreed on retaliatory actions in case the United States takes unilateral measures after July 1 in response to E.C. provisions implementing the Community's enlargement to include Spain and Portugal.

At the same time, the Council reaffirmed its desire for a negotiated solution and asked the E.C. Commission to continue to explore possibilities with the United States. The solution should conform to the international trading rules, the principles of the Common Agricultural Policy and to the enlargement Treaty with Spain and Portugal.

MEASURES CONCERNING SPANISH ACCESSION

In the event that the United States goes ahead with its announced intention to increase tariffs on a series of E.C. agricultural products, the Council agreed to retaliate and asked the Commission to propose countermeasures on corn gluten feed, rice and wheat. The Community's countermeasures should correspond to those of the U.S. and should go into force at the same time as those of the United States.

MEASURES CONCERNING PORTUGUESE ACCESSION

The Council also approved a regulation introducing surveillance on imports of certain products from the U.S. in response to the May 15 U.S. Presidential proclamation applying nonrestrictive quotas on certain agricultural products from the E.C. The European Community will monitor

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U.S. exports into the Community of horsemeat, offals, honey, foliage, dried fruit, sunflower seed, fats of bovine cattle, orange, grapefruit and pineapple juices, canned corn, beer and wine. If the U.S. nonrestrictive quotas begin to restrict Community exports, this regulation can be adjusted to make the Community measures equally restrictive.

The Text of the Council Conclusions follow:

The E.C. Council reiterates its grave concern at the announcement of unilateral retaliatory measures by the United States following the unbinding by the E.C. in application of the Treaty of Accession of the former Spanish duties on maize and sorghum.

The Council considers that these measures, which are not justified in the framework of the General Agreement on Tariffs and Trade (GATT), present a serious threat to trade relations between the U.S. and the E.C. and might well compromise the start of GATT negotiations under the New Round of Trade Negotiations.

The Council reaffirms the readiness of the Community to complete negotiations under GATT Article XXIV/6 as speedily as possible; and instructs the Commission to continue appropriate contacts with the United States in order to conclude such negotiations.

Repeating the determination of the Community as expressed by the Council on April 21, 1986 to take equivalent measures to protect its interests, the Council herewith decides to take corresponding measures, acting on a proposal from the E.C. Commission, concerning imports of corn gluten feed, rice and wheat within a period not exceeding a fortnight of the announcement by the President of the United States. The measures decided upon are to come into force at the same time as the U.S. measures are actually implemented.

The Council also decides to request the Commission to draw up, with due regard for the overall nature of the Article XXIV/6 negotiations, measures enabling both sides to stay application of retaliatory and counter-retaliatory measures in the conflict on the arrangements for the import of maize and sorghum into Spain and to arrive at an equitable solution.